

ISSUE

May a genealogical society whose membership is open to all persons in a particular area and which provides instruction in genealogical research techniques qualify for exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code?

FACTS

The organization is a genealogical society whose membership is open to all interested persons in a particular geographical area. The society provides instruction in genealogical research techniques to both members and the general public through monthly lectures held in a meeting room donated by the community center. It distributes instructional manuals, sponsors tours of historical museums, donates books and other research materials on genealogy to the area's public library, maintains a display board in a community center listing the early pioneers from the area, and conducts a free genealogical speakers bureau. It also conducts various historical genealogical research projects the results of which are made available to the state historical society. The society does not conduct genealogical research for its members. Rather, its members research genealogies independently using the society's research materials. The organization also provides assistance to beginners.

The society's income is derived from membership dues and contributions. Its expenses include the costs of printing, postage, display boards, books, and other miscellaneous items.

LAW AND ANALYSIS

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for educational purposes.

Section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations provides that the term 'educational' includes the instruction or training of the individual for the purpose of developing his capabilities and the instruction of the public on subjects useful to the individual and beneficial to the community.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations provides that an organization is not organized or operated exclusively for exempt purposes unless it serves a public rather than a private interest.

The Callaway Family Association, Inc. v. Commissioner, 71 T.C. 340 (1978), held that a family association formed as a nonprofit organization to study immigration to and migration within the United States by focusing on its own family history and

genealogy does not qualify for exemption under section 501(c)(3) of the Code. The association's activities included researching the genealogy of its members for the ultimate purpose of publishing a family history. The court stated that the association's family genealogical activities were not insubstantial and were not in furtherance of an exempt purpose. Rather, they served the private interests of the members. Thus, the association was not operated exclusively for exempt purposes. See also Benjamin Price Genealogical Association v. United States, Civil No. 78-2117 (D.D.C., April 26, 1979).

Rev. Rul. 71-580, 1971-2 C.B. 235, holds that a nonprofit organization formed by members of a particular family to compile genealogical research data on the family in order to perform religious ordinances of the religious denomination to which the family members belong is exempt from federal income tax under section 501(c)(3) of the Code.

Rev. Rul. 80-302, this page, this Bulletin, holds that a genealogical society whose primary activity is the compilation of genealogical data for members of a particular family does not qualify for exemption from federal income tax under section 501(c)(3) of the Code.

Here, the society is educating the individual and the community generally when it conducts lectures, sponsors public displays and museum tours, provides written materials to instruct members of the general public on genealogical research, and compiles the area's pioneer history. Thus, the society instructs the public on subjects useful to the individual and beneficial to the community within the meaning of section 1.501(c)(3)-1(d)(3) of the regulations.

Unlike the organizations described in the Callaway and Price cases, and in Rev. Rul. 80-302, the society does not conduct research for its members and does not focus its activities on any one family. Rather, its activities include all interested members in the geographical area, and seek to develop a better understanding of the history of the area. Thus, the society is operated for a public rather than a private interest, within the meaning of section 1.501(c)(3)-1(d)(1)(ii) of the regulations.

HOLDING

A nonprofit organization whose membership is open to all persons in a particular area and which provides instruction in genealogical research techniques in the manner described above is operated exclusively for educational purposes and, thus, qualifies for exemption from federal income tax under section 501(c)(3) of the Code.

APPLICATION INSTRUCTIONS

Even though an organization considers itself within the scope

of this revenue ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. See sections 1.501(a)-1 and 1.508-1(a) of the regulations.

In accordance with the instructions to Form 1023, the application should be filed with the District Director of Internal Revenue for the key district indicated therein.

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 80-302 is distinguished.